EXCLUSIVE

GEOPHYSICAL

TRACT

TRACT 34039 - St. Martin and St. Mary Parishes, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description and all islands and other lands formed by accretion or reliction, except tax lands, owned by and not under mineral lease from the State of Louisiana on December 12, 2001, situated in St. Martin and St. Mary Parishes, Louisiana, within the following described Beginning at a point having Coordinates of X = 1,993,671.44 and Y = 455,154.98; thence South 00 degrees 5 minutes 22 seconds East for a distance of 18,229.65 feet to a point having Coordinates of X = 1,993,699.86and Y = 436,925.35; thence North 89 degrees 26 minutes 53 seconds East for a distance of 19,716.90 feet to a point having Coordinates of X = 2.013,415.85and Y = 437,115.28; thence South 0 degrees 17 minutes 51 seconds East for a distance of 10,527.28 feet to a point having Coordinates of X = 2,013,470.51and Y = 426,588.14; thence North 89 degrees 23 minutes 35 seconds East for a distance of 38,191.85 feet to a point having Coordinates of X = 2,051,660.22and Y = 426,992.76; thence South 0 degrees 24 minutes 13 seconds East for a distance of 24,818.32 feet to a point having Coordinates of X = 2,051,834.99and Y = 402,175.06; thence North 88 degrees 49 minutes 30 seconds West for a distance of 1,741.32 feet to a point having Coordinates X = 2,050,094.03 and Y = 402,210.77; thence South 2 degrees 1 minute 58 seconds East for a distance of 8,494.49 feet to a point having Coordinates X = 2,050,395.36 and Y = 393,721.63; thence North 84 degrees 35 minutes 1 second West for a distance of 27,888.30 feet to a point having Coordinates of X = 2,022,631.58and Y = 396,354.05; thence North 75 degrees 3 minutes 29 seconds West for a distance of 12,062.46 feet to a point having Coordinates of X = 2,010,976.99and Y = 399,464.26; thence North 88 degrees 17 minutes 37 seconds West for a distance of 16,883.95 feet to a point having Coordinates of X = 1,994,100.53and Y = 399,967.04; thence North 82 degrees 28 minutes 41 seconds West for a distance of 18,097.19 feet to a point having Coordinates of X = 1,976,159.07and Y = 402,336.07; thence North 84 degrees 56 minutes 1 second West for a distance of 15,286.20 feet to a point having Coordinates of X = 1,960,932.59and Y = 403,685.97; thence North 0 degrees 4 minutes 7 seconds West for a distance of 17,860.82 feet to a point having Coordinates of X = 1,960,911.18and Y = 421,546.78; thence North 89 degrees 48 minutes 16 seconds West for a distance of 6,091.33 feet to a point having Coordinates of X = 1,954,819.89and Y = 421,567.58; thence North 0 degrees 6 minutes 19 seconds West for a distance of 33,853.93 feet to a point having Coordinates of X = 1,954,757.64and Y = 455,421.46; thence South 89 degrees 36 minutes 28 seconds East for a distance of 38,914.71 feet to the point of beginning, LESS AND EXCEPT the following State Leases, as amended: 346, 711, 1392, 5706, 14915, 14916, 14954, 16310, 16312, 16313, 16314, 16788, 16859 and 16860, containing approximately 32,968 acres, as shown outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources, as provided by the All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927 (South Zone).

NOTE: The above description of the tract nominated for lease has been provided exclusively by the party nominating the tract for lease. The Louisiana State Mineral Board makes no representation as to the accuracy of the description of the nominated tract or its suitability for lease. The Louisiana State Mineral Board has made no inspection of the nominated tract for the existence of conflicting leases, operating agreements, private claims or other existing or future

obligations or conditions which may affect all or any portion of the nominated tract or its suitability for lease.

Maps depicting the nominated tract, containing the bearings, distances and coordinates of the nominated tract based on the Louisiana Coordinate System of 1927, North or South Zone, as applicable, are available for public inspection and review at the offices of the Louisiana State Mineral Board from 10:00 a.m. to 3:00 p.m. Monday - Friday.

In the event of conflict between the description of the nominated tract set forth above and the description of the nominated property as contained on the maps maintained at the offices of the Louisiana State Mineral Board, the Louisiana State Mineral Board maps shall prevail and shall provide the final property description of the lease to be awarded of the nominated tract.

Any mineral lease of the nominated tract by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties or merchantability and fitness for a particular purpose. Should the mineral lease of the nominated tract awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other existing of future obligations or conditions which may affect all or any portion of the leased tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the State Mineral Board be obligated to refund consideration paid by the Lessee prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rents and royalties.

NOTE: This tract may be located within the Attakapas Wildlife Management Area. Any operations on said tract shall be coordinated with the Louisiana Department of Wildlife and Fisheries. Special Rules and Regulations have been promulgated by the Louisiana Department of Wildlife and Fisheries for the protection of the game and wildlife for some management areas. Any lease awarded by the Board on said tract shall be subject to any applicable Rules and Regulations of said management area. Copies of these Rules and Regulations may be obtained from the Louisiana Department of Wildlife and Fisheries through the Assistant Secretary, Office of Wildlife, upon request.

- NOTE: 1. The Department will require a minimum bid of \$30 per acre on the Attakapas Wildlife Management Area portion of the survey.
 - 2. LDWF shall be supplied for project monitoring purposes a 15' quadrangle base map of the proposed project with source and receiver lines plotted.
 - 3. Prior to any activity on the management area a pre-survey meeting will be conducted at a place and time designated by LDWF. Source and receiver lines may require modifications to reduce environmental impacts.

- 4. Weekly coordination meetings will be required to update LDWF and coordinate future activities. Additionally, a base map will be updated at the weekly meeting to determine the specific status of individual source and receiver lines.
- 5. A compliance inspector will be provided by the successful bidder to ensure that environmental conditions required in the advertisement and subsequent Exclusive Geophysical Permit are met. A daily log of operations will be provided to the Department upon request. The compliance inspector will attend the pre-survey meeting and all weekly meetings.
- 6. No seismic activities will be allowed during the hunting season (Sept. 1 Feb. 28).
- 7. These requirements are in addition to the standard seismic regulations administered by the Department.
- 8. No activities will be allowed within 1500 feet of active bird rookeries. Seismic activities in the vicinity of Bald Eagle nests will require individual permits.
- 9. All equipment and materials utilized for the project shall be properly marked to prevent hazards for the various public user groups utilizing the management area and shall be parked in a manner which will not interfere with access and use of the WMA.
- 10. LDWF shall be supplied transportation to the project site for monitoring purposes, if requested.
- 11. LDWF shall have discretion to require the successful bidder to repair any damages which are a result of the seismic project.
- 12. All vehicles, boats and equipment shall be utilized for seismic purposes only.
- 13. The project shall be supervised by a seismic agent or other Department representative during the entire survey.
- 14. There will be limited vehicular access on seismic lines. Types of vehicles and access routes will be determined and delineated by LDWF personnel prior to entry on the management area. Right-of-ways will be limited to no more than 15 feet in width. In areas where avoidance of trees and obstacles are necessary, a 30 foot right-of-way will be allowed. Any activities outside of these rights-of-way will require Department approval. Trees larger than 6" DBH will not be cut or removed without prior approval of the Department.
- 15. Compliance with applicable Attakapas Wildlife Management Area regulations shall be required.
- 16. All debris, litter, poles, wire and flagging shall be removed from the management area upon completion of the survey or at intervals designated by the Department.

- 17. A post project meeting shall be held to confirm compliance with the above requirements.
- 18. In the event of non-compliance with the above requirements, the Department shall have discretion to cease the geophysical activities until compliance is obtained.

In the event that mineral lease acreage is selected on the Attakapas Management Area the following requirements will be made a part of any mineral lease awarded.

- 1. The minimum bonus accepted by the Department will be \$350 per acre and the minimum royalty will be 25%.
- 2. No activities will be allowed without written authorization of the Louisiana Department of Wildlife and Fisheries.
- 3. Proposed projects will be evaluated on a case by case basis. Modifications to proposed project features including but not limited to access routes, spoil placement, well sites, flowlines and appurtenant structures may be required by the Department of Wildlife and Fisheries.
- 4. Compliance with the Attakapas WMA mineral regulations will be required unless otherwise specified by the Department of Wildlife and Fisheries.
- 5. Compensatory mitigation will be required to offset unavoidable wetland impacts.
- 6. Removal of all structures, facilities and equipment will be required within 120 days of abandonment unless otherwise agreed to in writing by the Department of Wildlife and Fisheries.
- 7. No activities will be allowed during the hunting season unless authorized by the Department.
- 8. Prior to submitting applications for wetland permits to Federal and State permitting agencies, the leaseholder shall coordinate project details with the Department of Wildlife and Fisheries.
- NOTE: For leases selected under the Type # 3 , a fee of ten percent (10%) of the total Cash Payment bonus must be paid by separate check made payable to the Office of Mineral Resources at the time the leases are selected and the Cash Payment bonuses are paid.
- NOTE: Act 8 of the 2000 Second Extraordinary Legislative Session established two additional fees to be collected from mineral lessees on all mineral leases awarded. An additional fee of \$10 per acre will be collected and deposited into the Louisiana Wildlife and Fisheries Conservation Fund. An additional fee of \$5 per acre will be collected and deposited into the Oil and Gas Regulatory Fund. A separate check in the amount of \$15 per acre made payable to the

Office of Mineral Resources shall be submitted at the time leases are selected and the cash payment bonuses are paid. Bidders may use a regular check for payment of the fees. The successful bidder will not receive the lease executed by the State Mineral Board until the fees are received.

NOTE: All bids shall specify the Cash Payment bonus for leases as a price per acre amount and an aggregate total amount. For purposes of rental and deferred development payments, the price per acre amount set forth in the bid, when multiplied by the appropriate acreage, shall determine the full value of rental or deferred development payments to be made. If there are any discrepancies between the total State acreage specified in a lease and the actual State acreage within the geographical boundary of the lease tract, nevertheless, the price per acre specified in the bid for a lease shall be multiplied by the appropriate State acreage within the geographical boundary of the lease tract to compute rental or deferred development payments.

NOTE: The successful bidder will provide an advisor on the crew at all times to oversee the environmental impact of field operations. in the opinion of the advisor, the impact on the environment, by any part of the seismic operations is more than minimal, then the advisor is empowered to halt those operations and is required to report the situation immediately to the successful bidder and to the Office of Seismic operations may be resumed upon the Mineral Resources. approval of the successful bidder. The above mentioned environmental issue is in addition to those provisions required by the Department of Wildlife and Fisheries and other government agencies, state or federal. The successful bidder will also assure that the Office of Mineral Resources be provided a copy of weekly, monthly and final reports from the advisor regarding the impact of seismic operations on the environment.

Applicant: Tucoma Oil & Gas

| Bidder | Cash Payment | Price / Acre | Rental | Oil | Gas | Other |
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